

10-26-1976

Board of Trustees Audit Committee October 26, 1976

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Dec. 1, 1976

UNIVERSITY OF MAINE
BOARD OF TRUSTEES

CLERK: _____

AUDIT COMMITTEE
October 26, 1976
Bangor, Maine

PRESENT: Chairman, Robert Masterton, Artemus Weatherbee, Bernard Carpenter.
Other Trustees: James Page; Staff: William Sullivan; Auditors:
James Russell, William Daley.

Chairman Masterton convened the meeting. Vice Chancellor Sullivan introduced Mr. James Russell and Mr. William Daley, auditors from Arthur Andersen & Company.

Mr. Russell reported that the University had strengthened its financial position considerably over the past year. He indicated that there had been improvement in some problem areas although certain others will warrant continued attention, and he briefly outlined the various phases of the Company's audit process.

There was extensive discussion of the Auditor's Report and the financial statements for the year ending June 30, 1976, which focused primarily on accounting methods, disbursement of grant funds and deficit accounts. Mr. Masterton suggested that the administration review the method of accounting for the Memorial Union operation at UMO. The Committee was concerned that controls for federal grant programs are inadequate and requested that the staff develop an automated system for control and disbursement of grant funds and draft a policy statement to establish new criteria for grant control.

Vice Chancellor Sullivan suggested that the staff could report periodically on deficit accounts and it was agreed that such a statement would be furnished to the Committee twice yearly. The staff was further requested to develop a policy for deficit accounts.

Mr. Masterton asked the staff to review controls for the use of incentive funds and to reconcile the campus-by-campus variations in the recording of tuition funds.

The Committee will meet with the auditors again for a day-long session to continue discussion of the University's financial position. This meeting is tentatively scheduled for Portland and will be held in January, on a date to be determined.

For the last quarter of the meeting, the staff withdrew and the Committee members met with the auditors in executive session.

JoAnne R. Magill

JoAnne R. Magill
Interim Clerk,
Board of Trustees